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DEPT FOR EB/IPE (CLACROSSE) AND EUR/SE  
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SUBJECT: CYPRUS 2006 SPECIAL 301 NOTIFICATION (INTELLECTUAL  
PROPERTY)

REF: A) STATE 66940 (not al) B) NICOSIA 245 C) 05 NICOSIA

1842

(U) This cable is sensitive but unclassified. Please  
protect accordingly.

¶1. (SBU) We delivered reftel points to Commerce Ministry  
Permanent Secretary Andreas Petronidas on April 28.  
Ambassador Schlicher followed up with Minister of Commerce  
Yiorgos Lillikas on May 11. Both Petronidas and Lillikas  
stressed the importance the GoC places on this issue and  
noted their commitment to work with the Embassy to further  
improve IPR enforcement. Both, however, were non-committal  
about directing the Ministry's Consumer Protection Unit,  
which is undermanned and has many other responsibilities,  
to make IPR more of a priority.

¶2. (SBU) Nevertheless, the GoC continues to take steps to  
improve IPR enforcement. Contacts at the Attorney General  
Office have confirmed that as part of the process of  
amending current IPR-related legislation to bring it into  
compliance with the EU Copyright Directive (EU Directive  
2001/84), they are preparing additional amendments designed  
to reverse the burden of proof in all IPR cases. A key  
recommendation of the Embassy-sponsored IPR workshop in  
November (ref c), this would greatly enhance the Police and  
Customs' ability to confiscate pirated goods and  
successfully prosecute cases. The amendments would in  
effect make vendors responsible for proving that their  
products are legitimate rather than the GoC having to prove  
that every track of every CD or DVD is pirated. The GoC  
has already missed the deadline for implementation of the  
Copyright Directive (April 29, 2006), but plans to submit  
the amendments to parliament for immediate action when the  
parliament reconvenes this fall.

¶3. (U) Cyprus has welcomed the creation of two new NGOs  
concerned with IPR issues so far this year. On May 12, the  
local representatives of the leading international  
pharmaceutical research companies establish the  
"Pharmaceutical Association of Research and Development  
Companies of Cyprus" or KEFEA (from its Greek acronym).  
Members include U.S. giants Merck, Sharp, and Dohme (MSD),  
Wyeth, and Eli Lilly. Other members include  
GlaxoSmithKline (UK), Novartis (Swiss), Boehringer

Ingelheim (German), Bayer (German), and Sanofi Aventis (French). In January five leading Cypriot professionals formed the Initiative for the Promotion of Research and Competitiveness in Cyprus (IPRCC) dedicated among other things to improve the competitiveness of the Cypriot economy by lobbying the government to ensure strong IPR enforcement.

SCHLICHER